

STATE GENERAL FUND SUMMARY
FISCAL YEARS 2002-2003 THROUGH 2007-2008

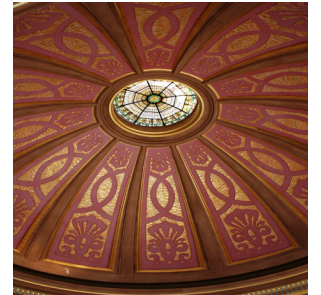


STATE OF ALABAMA
Department of Finance

| | ACTUAL | | | |
|---------------------|---------------|-----------------|---------------|---------------|
| | FY 2002-2003 | FY 2003-2004 | FY 2004-2005 | FY 2005-2006 |
| with | 16,609,812 | 105,027,233 (1) | 156,681,879 | 168,149,376 |
| Funds | 1,238,321,514 | 1,221,839,895 | 1,437,229,950 | 1,609,192,589 |
| Funds - Corrections | 75,612,289 | 75,612,290 | | |
| the General Fund | 1,875,000 | | | 47,258,750 |
| | 1,332,418,615 | 1,402,479,418 | 1,593,911,829 | 1,824,600,715 |
| on FEMA Funds | 1,227,391,382 | 1,245,797,539 | 1,425,762,453 | 1,561,372,279 |
| reserve | 7,445,609 | 15,626,299 | 0 | 0 |
| r | 97,581,624 | 141,055,580 | 168,149,376 | 263,228,436 |

189 Federal Fiscal Relief Funds Carried Over

2007 Report





Greetings:

As Governor of the State of Alabama, I am pleased to recognize the outstanding contributions of the Finance Department to the success of our state, evidenced by the many achievements highlighted in this report.

The Department has displayed responsible fiscal management, as well as total support for my administration's commitment to trust and transparency in state government. Under the leadership of Director James Allen Main, this agency has played an instrumental role in investing toward our state's future and ensuring the efficient use of every dollar entrusted to us by Alabama's taxpayers. Mr. Main and the Finance Legal Division were engaged in economic development for the state, as well as further development and management of SMART Governing.

In addition, the Department has served as a key player in Alabama's reform efforts. To take advantage of the benefits of alternative fuels, the Office of Fleet Management built an Ethanol fueling station to serve the state agencies and fleet. Mr. Main also assisted in developing a partnership with the Harrison School of Pharmacy at Auburn University, PEEHIP and SEIB to implement a statewide wellness program for state employees and teachers and worked diligently with Medicaid to reduce expenditures and claim additional federal funding.

The tremendous work of the Finance Department has not gone unnoticed. This past year alone, the Department has been the recipient of numerous state and national awards. I would like to take this opportunity to thank everyone at the Finance Department for your hard work and dedication to the betterment of our state. Together, we will continue to make Alabama great.

Sincerely,

A handwritten signature in black ink that reads "Bob Riley".

Bob Riley, Governor





Divisions of the Alabama Department of Finance

- ▣ Comptroller
- ▣ Debt Management
- ▣ Executive Budget Office
- ▣ Executive Planning Office (SMART Governing)
- ▣ Finance Accounting
- ▣ Finance Personnel
- ▣ Information Services (ISD)
- ▣ Legal Services
- ▣ Purchasing
- ▣ Risk Management
- ▣ Service Management
 - ▣ Central Mailroom
 - ▣ Central Supply
 - ▣ State Buildings & Space Management
 - ▣ State Motor Pool



STATE OF ALABAMA
Department of Finance

From the Office of the Director

October 1, 2007

Fellow Citizens of Alabama,

It has been an honor to serve as Finance Director for the State of Alabama for the past three years and is a privilege to share the duties and responsibilities of this position with a group of talented, dedicated and inventive public servants. The programs, initiatives and processes this team has devised and implemented have made state government more transparent and have saved many tax dollars through efficiencies.

This first annual report of the Finance Department is an attempt to highlight a few of the significant accomplishments of this department during fiscal year 2007. It is my hope this will give you a glimpse into the expertise that is working for the taxpayers of Alabama through the Department of Finance.

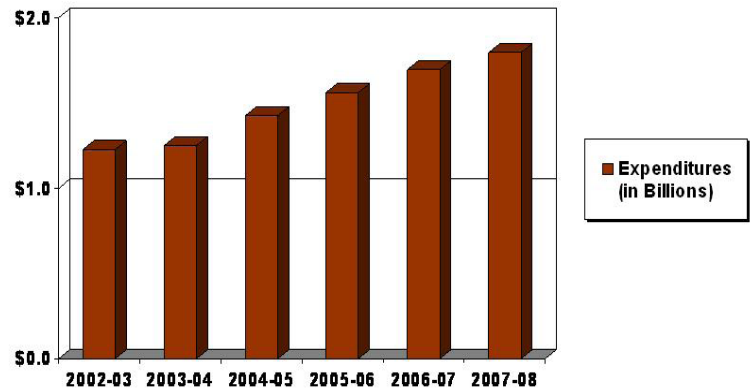
Very truly yours,

James Allen Main, Director



General Fund

End-of-year balances in the State General Fund more than doubled, from \$97.5 million during FY2003 to over \$239 million at the close of FY2007, allowing annual expenditures to increase by \$431 million.



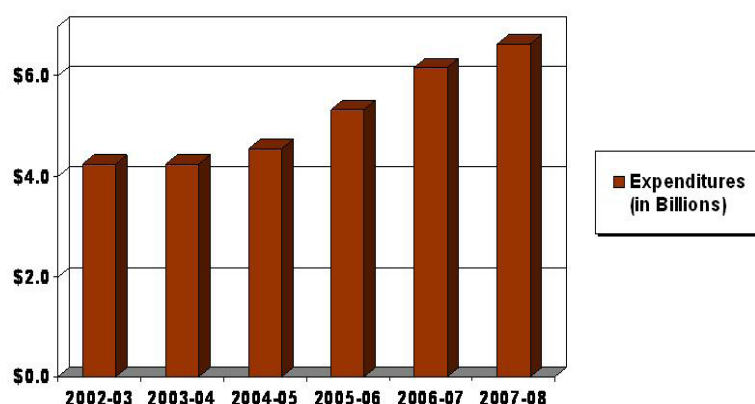
| State General Fund Summary Fiscal Years 2002-03 through 2006-07 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 |
| Beginning balance | 16,609,812 | 105,027,233* | 156,681,879 | 168,149,376 | 263,228,436 |
| Net receipts | 1,238,321,514 | 1,221,839,895 | 1,437,229,950 | 1,656,451,339 | 1,634,581,148 |
| Federal Fiscal Relief Funds | 75,612,289 | 75,612,290 | | | |
| Atmore Land Sale Funds - Corrections | 1,875,000 | | | | |
| Total Available | 1,332,418,615 | 1,402,479,418 | 1,593,911,829 | 1,824,600,715 | 1,897,809,584 |
| Less: | | | | | |
| Expenditures & Encumbrances | 1,227,391,382 | 1,245,797,539 | 1,425,762,453 | 1,561,372,279 | 1,658,721,550 |
| Anticipated Reversion on FEMA Funds | | | | | (18,000,000) |
| G.O. Debt Service Reserve | 7,445,609 | 15,626,299 | 0 | 0 | 0 |
| End-of-year Balance | 97,581,624 | 141,055,580 | 168,149,376 | 263,228,436 | 239,088,034 |

*Includes carry over of \$73,612,289 Federal Fiscal Relief Funds



Education Trust Fund

Expenditures in the ETF increased from \$4.2 billion in FY2003 to approximately \$6.3 billion in FY2007. End-of-year balances increased during the period from \$55,000 to nearly \$276 million.



| Education Trust Fund Summary Fiscal Years 2002-03 through 2006-07 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | FY 2002-03 | FY 2003-04 | FY 2004-05 | FY 2005-06 | FY 2006-07 |
| Beginning balance | 2,826,679 | 7,500,510 | 189,905,715 | 570,958,477 | 695,053,788 |
| Net receipts | 4,069,962,120 | 4,456,026,869 | 4,969,255,238 | 5,498,361,937 | 5,854,027,193 |
| Transfer from Rainy Day Acct. | 179,993,229 | | | | |
| Total Available | 4,252,782,028 | 4,463,527,379 | 5,159,160,953 | 6,069,320,414 | 6,549,080,981 |
| Less: | | | | | |
| Expenditures & Encumbrances | 4,245,281,518 | 4,237,621,664 | 4,552,202,476 | 5,338,266,626 | 6,197,042,725 |
| Repayment to Rainy Day Acct. | | 35,000,000 | 36,000,000 | 36,000,000 | 71,993,229 |
| G.O. Debt Service Reserve | 7,445,005 | 8,339,908 | 8,868,817 | 8,838,858 | 4,328,000 |
| End-of-year Balance | 55,505 | 181,565,807 | 562,089,660 | 686,214,930 | 275,717,027 |

SMART Governing

In 1975, Alabama adopted a sound budgeting law known as the Budget Management Act. Two key pieces of the legislation, however, were never fully integrated into the budgeting process: planning on the ‘front end’ and performance monitoring on the ‘back end.’ Several administrations implemented pilot programs to make planning and performance monitoring part of the budgeting process, but none were fully implemented. In 2004, the SMART Governing initiative added these key components to the budgeting process to provide a system that reflects the needs and expectations of Alabama’s citizens.

SMART insures the State’s budgeting process delivers:

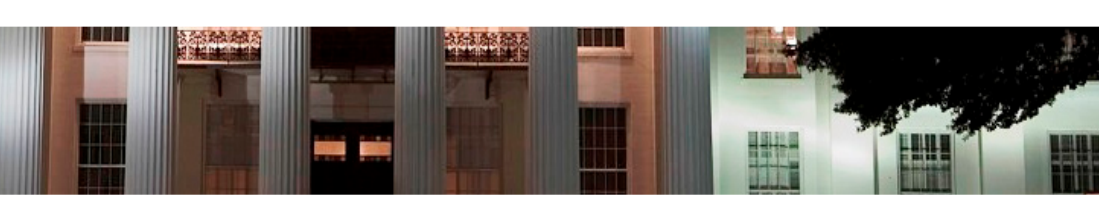
- Specific results;
- Measurable key goals;
- Accountability to stakeholders;
- Responsiveness to internal and external customers; and
- Transparency to everyone.



The SMART Cycle

SMART Strategic Planning

The first phase of SMART Governing is developing an executive summary strategic plan---a SMART Plan. Each agency identifies its mission or purpose, key multi-year goals, a vision for the future and a high-level plan of how they will achieve the stated goals. Part of the process includes conducting an internal/external assessment. This analysis leads to the identification of critical issues that must be resolved in order for the agency to meet its goals. Strategies for the planning year serve to move the agency/institution closer to its goals and/or eliminate critical issues. Finally, the plan identifies specific ways to measure progress toward meeting the stated goals and may measure the outcomes of the goals. This is accomplished by listing performance measures or indicators and stating the targets and/or objectives for the fiscal year.



SMART Budgeting

The second phase is the SMART Budget Request. It is an executive summary plan plus an annual funds request, which includes the cost of each budget program or budget activity. It also highlights the fiscal year's impact (savings or cost) of each proposed goal. This is presented to the Legislature for the appropriation of funds.



SMART Operations Planning

The SMART Operations Plan is the third phase of SMART Governing. This is a revised budget request reflecting the funds appropriated in the budget passed by the Legislature and signed by the Governor. The SMART Operations Plan is submitted for approval and spending authority.



SMART Reporting

The last phase, a SMART Quarterly Performance Report, compares actual accomplishments to those planned. Based on the performance indicators/objectives identified previously, performance is reported at the end of every quarter. These reports will track an agency's or institution's fiscal year progress toward their multi-year goals.

In its fourth year, the SMART Governing process is seeing great improvement in agency participation and planning. Working with staff from the Public Affairs Research Council of Alabama (PARCA) and the Examiners of Public Accounts, the Executive Planning Office (EPO) offered beginning, intermediate and advanced training classes. FY2007 was the first year that all four phases of the SMART cycle were completed online through an automated system and database. This eliminates the need for manual filing and reduces time and errors for agencies and planning staff.

2007 is also the first year that agencies could qualify as "High Performers" and receive incentives for meeting the performance criteria, showing a strong commitment to the process and exhibiting timely reporting of data.

"The SMART Plan provides a formal structure for programmatic input into the budget. It gives programs the opportunity to express their needs and present strategic planning in order to improve resources and services to eligible clients."

Alabama Department of Human Resources

"The SMART process has helped us finally show the cost effectiveness of supervision, rather than incarceration. Internally, we have realized an increase in communication between financial staff and other management staff."

Alabama Board of Pardons and Paroles

Business & Industry

Economic Development Projects

The State Finance Director and Finance Legal Services Division assist in growing economic development in Alabama. Major project announcements during the past two years include ThyssenKrupp (Mobile), \$3.7 billion investment; AlaTrade Foods, LLC (Phenix City), \$15 million investment; Hyundai Motor Manufacturing Alabama (Montgomery), expanding with



Sikorsky Aircraft - Troy

an additional \$270 million investment; Verizon Wireless (Huntsville), \$44 million investment; Aerospace Integration Corporation (Albertville), \$20 million investment; Meyer Real Estate (Gulf Shores), \$8 million investment; HS Automotive Alabama, Inc. (Enterprise), \$23 million investment; SAIC (Huntsville), \$13.6 million investment; Infinity Insurance Company (Birmingham), \$5 million investment; SmartAlabama, LLC (Luverne), \$4.2 million investment; and Sikorsky Aircraft Corporation (Troy), \$1.5 million investment. Over

85,000 jobs have been created over the past 4 years through these projects, and over \$13 billion additional dollars are flowing into Alabama's economy.

Alabama Trust Fund

The Alabama Trust Fund (ATF) preserves the income from Alabama's natural resources--primarily from the Gulf's oil and natural gas production. During the past few years, the ATF has refined its asset allocation to increase exposure to equities and to open a small presence in the International market. It is anticipated that the move from a fixed/equities ratio of 80/20 to 65/35 will yield significant revenue in the future. Currently, the principal has grown from \$1.67 billion in FY2001 to \$3.13 billion in FY2007. Sixteen money managers handle the state's investments.

Meyer Real Estate - Gulf Shores



Verizon Wireless - Huntsville



AlaTrade Foods - Phenix City

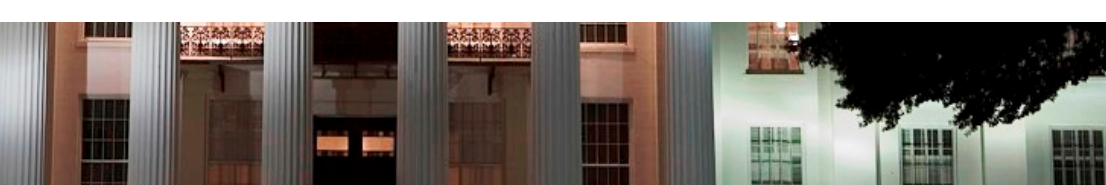


Hyundai - Montgomery



ThyssenKrupp - Mobile





The ATF receives 65% of all royalties from oil and natural gas production in the Gulf, with earnings distributed into the state's General Fund (70%); Forever Wild, to be used for acquisition, maintenance and protection of unique lands and water areas within the state (10%); and cities and counties (10% each). The Capital Improvement Trust Fund receives 28% of royalties, which goes to bridges, buildings, highways, industry recruiting, state docks, technical equipment, economic development activities and debt service. Cities and counties receive the remaining 7%.

In fall 2006, the Finance Department commissioned a study of Alabama's oil and gas reserves from the State Oil and Gas Board. This first ever, comprehensive study of oil and gas development in our Gulf, completed in March 2007, identified producing, shut-in, plugged and abandoned, and potential drilling sites. Based on four scenarios, it was determined that royalties received into the Alabama Trust Fund from oil and natural gas production in the Gulf could increase as much as \$1.68 billion with further optimal development.

In 2002, the Education Trust Fund (ETF) Rainy Day Account was created within the ATF. During FY2003, nearly \$180 million was withdrawn from the ETF Rainy Day Account to prevent proration in Alabama's school systems. During FY2007, the final repayment of the \$180 million was transferred back into the Alabama Trust Fund to replenish the account. This reimbursement was accomplished one year prior to the 5-year period allowed for repayment.

Special Session & Referendum

Based on the reserve study findings, a special legislative session was called in March 2007. The Legislature unanimously approved increasing the bonding (borrowing) capacity for economic development projects from \$350 million to \$750 million. The proposed increase was presented as Amendment 1 on the June 5, 2007, referendum ballot and was overwhelmingly passed by Alabama voters.



This increase will allow the state to continue to offer incentives to companies considering making Alabama their home or expanding their current Alabama-based operations, which will produce substantial capital investment and new jobs.

Adoption of this constitutional amendment was a victory for those who worked diligently for its passage, but the real triumph is for citizens of Alabama, as the investment of these projects will bring thousands of new jobs and millions of new dollars into the state's economy.

Healthcare

Public Employees

A special legislative session was called in the fall of 2004 to discuss public employees' healthcare issues. Following the session, Governor Riley signed into law legislation that granted additional corporate authority to the board of the Public Education Employees' Health Insurance Plan (PEEHIP) and the State Employees' Insurance Board (SEIB). This legislation allowed more efficiency and better decision-making in the state's insurance programs.

Measurable results to date include lower premiums for avoidable risk factors; active employee supplements to other employer coverage; retiree contributions based on years of service; retiree other coverage policy, which provides that education or state employees retiring after September 2005, and taking another position, will use the other employer's coverage as their primary coverage; a reduction of the employee and retiree premium based on the federal poverty level guidelines; an annual independent actuarial review of the state and education employees' health insurance plans performed by a national firm; full disclosure by contractors of their net cost of providing services to the state's plan; penalties for employees providing false or misleading information to their health insurance; and mandatory pre-taxed employee contributions deducted from payroll. These changes have resulted in a \$250M savings to PEEHIP and \$75M to SEIB.

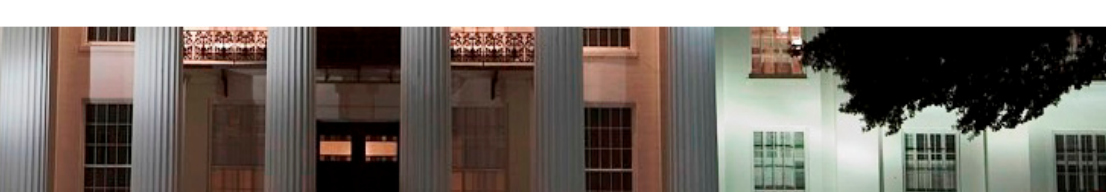
Unfunded Liability

In early 2007, Alabama was one of the first states to take a proactive approach to the new Government Accounting Standards Board (GASB) rule that went into effect on December 15, 2006, requiring public-section employers to report the total size of the future commitment of healthcare programs. Within a six-month period, Alabama drafted legislation, the Governor called a special session to discuss the issues, the bills were unanimously passed by all committees and both houses of the Legislature, and amendments were successfully ratified by voters. As a result, Alabama now has two irrevocable trust funds to protect the assets, proceeds and income of these healthcare funds. Hundreds of millions of dollars have been deposited in the trust funds to date.

This proactive approach to handling the unfunded health insurance liability helps maintain our positive position with bond rating agencies. Alabama's bond ratings are also positively impacted by our low unemployment rate, continued success in attracting new industry into the state, the growing economy and the reduction in dependence on one-time revenues.



The American Pharmacy Association (APhA) addresses state leaders about HealthMapRx
March 2007



Statewide Wellness Program

In partnership with the Harrison School of Pharmacy at Auburn University, the Public Education Employees' Health Insurance Plan (PEEHIP) and the State Employees' Insurance Board (SEIB), the Finance Department initiated a statewide wellness program for state employees and teachers. *HealthMapRx* is a community pharmacy-based program for employees with diabetes, which has potential to reduce healthcare costs and sick-leave days and increase productivity of approximately 30,000 workers across the state. A pilot *HealthMapRx* project will be launched in spring 2008.

Medicaid

During the past three years, the Department of Finance has worked with Medicaid to reduce expenditures and claim additional federal funding, which cut the amount of funds needed for the provision of level services from \$165 million to \$65 million. Finance also worked with Governor Riley and the Medicaid Agency to negotiate a conclusion to the long-standing dispute with the US Department of Health and Human Services, which eliminated an enormous potential payback to the federal government.

Education



In 1983, Alabama implemented a new student loan program to help college bound students obtain funding for education. The program was active for a number of years; however, it began to taper off and became nearly extinct.

Under Governor Riley's administration and led by its President, State Finance Director James Allen Main, the Alabama College Loan Program (ACLP) was revitalized. Bonds were issued in the amount of \$100 million to pay off the old debt and provide sufficient funds for the newly invigorated program.

ACLP offers special low-cost, federally-guaranteed loans. Benefits include 0% origination fee and 0% guarantee fee. Although the loans are available to all students, there are special interest-free loans for teachers and nurses who commit to practicing in Alabama upon completion of their education. Members of the Alabama National Guard who have been activated to Federal Service, as well as their spouses and dependents, are also qualified for interest-free loans. Spouses are eligible while married to the service member and dependents qualify until they become 24-years old. Applications for the Alabama College Loan Program are available from school counselors, college financial aid offices or on the web at www.studentloanpeople.com/aclp.html.

Division Updates

Executive Budget Office

A few of the accomplishments within the Executive Budget Office (EBO) during FY2007 includes balancing the state's budgets with no new revenues; fully replacing federal Katrina funds with state funds with no new revenues; fully funding the Children's Health Insurance Program (CHIP); funding all DA's offices to concentrate on eradicating methamphetamine lab activity; fully funding the Alabama Reading Initiative (ARI) for all K-3 students; increased funding for the Alabama Math, Science & Technology Initiative (AMSTI); development of recruitment and retention incentives for Alabama's National Guard to rebuild our Guard strength; and the reduced utilization of one-time monies in the state General Fund. The EBO was also instrumental in the successful settlement of the Knight vs. Alabama case, originally filed in 1981, regarding discrimination in the state's public higher education system. This case has cost the state hundreds of millions of dollars over the past 25+ years.



Legal Services

Some of the many matters handled this year by the Legal Division of the Finance Dept include assisting with negotiations of and preparing contracts for economic development projects; managing the major litigation claims under the General Liability Trust Fund; providing legal services to the Finance Department and its representatives in legal and transactional matters; and providing legal and administrative services to the Board of Adjustment. The Legal Division is moving forward with automation of the management process for legal matters and administrative operations for the division and for the State Board of Adjustment, to include website access for the entire claims process.



Comptroller's Office

For the eighth consecutive year, the Certificate of Achievement for Excellence in Financial Reporting was awarded in April to the State of Alabama by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement, presented to the Comptroller's Financial Reporting Section, is the highest form of recognition in the area of governmental accounting and financial reporting. Its attainment represents a significant accomplishment by a government and its management. The Department of Finance and related departments are taking the lead on an innovative business solution for the State. Transforming and optimizing government processes, SMART Systems will initially provide a state-of-the-art solution for payroll, personnel, purchasing, financial accounting and budgeting.





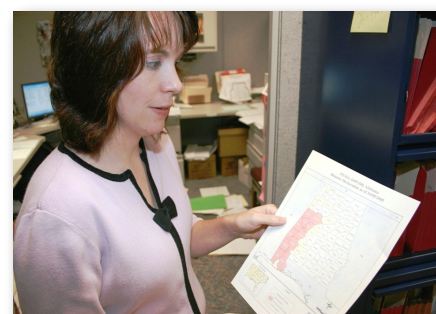
Finance Personnel

Key accomplishments of Finance Personnel during the past year include training for the department's supervisors in guidelines for usage of state computers and workplace sexual harassment; launching a personnel website, which includes policies, forms, job announcements and more; creating a background investigation policy for the department; and partnering with Auburn Montgomery (AUM) on a local job fair.



Debt Management

The 666 Bond Commission, established by Alabama Constitutional Amendment 666, sets aside funds for promoting economic development and industrial recruitment in Alabama. The Commission continued to sell general obligation bonds to fund several economic development projects and site grants administered by the State Industrial Development Authority during FY07.



Risk Management

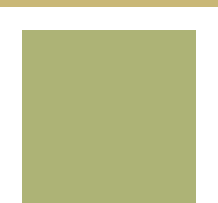
Recent key accomplishments of the Division of Risk Management (DORM) include increasing the total insured values of state-owned properties from \$28 to \$39 billion to assure that all properties are covered for replacement value; reviewing all open claims resulting in the closure of several hundred files and the enhancement of DORM's ability to analyze financial requirements for fund solvency; participating in the settlement of long-standing DYS claims that were costing the state enormous legal fees; and establishing an Investment Committee to assist in maintaining low fund premiums.



Accounting

Finance Accounting recently contributed to the development of procedures for tax savings projects, to include the Public Safety Building; developed property spreadsheets for divisions to use in completing Risk Management property certifications, which will enable the department to save money and ensure that all property has insurance coverage, if needed; and developed procedures and reports to assist division directors in decision making, including creation of the Statement of Operations by Activity for various divisions to show profit/loss by cost center. Finance Accounting also served as facilitator for the preparation and audit of the Statewide Cost Allocation Plan (SWCAP) and assisted in the closure and settlement of the Printing and Publications fund.





Information Services

The Information Services Division (ISD) is an enterprise level “enabling partner” assisting agencies in obtaining and deploying information technology (IT) services that provide savings and improve operations. During FY2007, ISD continued to sponsor statewide contracts and its centralized e-mail system, providing a savings of over \$5 million per year to the state of Alabama. ISD also delivered 185 IT instructor-led training courses through Auburn Montgomery (AUM) to over 1,000 state merit employees from 49 state agencies.

The ISD Copy Center added high-speed color print capability providing agencies significant savings on printing costs. ISD’s data and communications infrastructure continued to provide reliable solutions--available and working over 99.9% of the time, 24 hours per day, 365 days a year.



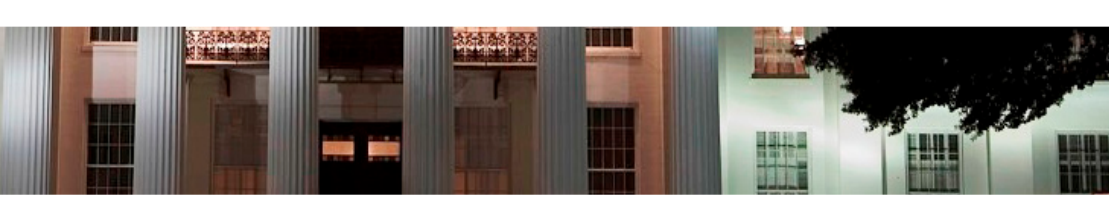
The Alabama.gov web portal was named one of seven national finalists for the 2007 American Council for Technology (ACT) Intergovernmental Solutions Awards, selected from federal, state and local government. A committee of government and industry IT professionals selected finalists based on technology leadership, intergovernmental and collaborative efforts, business transformation, impact and results, and availability and transferability of the solution. The resources on Alabama.gov are vast and varied. Thanks to the

innovative portal, cumbersome paperwork is a thing of the past. Last year, 2.5 million visitors to the site took advantage of this innovative gateway to state government. Citizens of Alabama are spending more time ‘on-line’ and less time ‘in line’ as a result of the technology and teamwork of ISD.

Purchasing

The Division of Purchasing is responsible for the procurement of all goods and non-professional services used by State Agencies. Recent key accomplishments are centered on ensuring that each agency is able to acquire the necessary goods and services to reach their respective goals and objectives. The Division has just completed the year-end processes and for the third consecutive year, no purchase requests were returned to any agency because of time-frame issues. Also, due to a recent change to the Code of Alabama, term contracts may now extend up to five years. As a result, many contracts have been extended an additional two years. These extensions are allowing for considerably more research time to be directed toward developing additional and more effective contracts; thereby, ensuring improved pricing and better quality products available from term contracts. For example, a new and improved Printing and Binding Contract was established in which the purchasing event volume doubled, but the overall cost dropped by \$200,000 over an eighteen-month period. Also, due to another Code of Alabama change, the Division has been able, for the first time, to develop and obtain approval for a records retention process.





Service Division

The Service Division manages the Central Mailroom, Central Supply, State Motor Pool, and State Buildings and Space Management. With protecting the environment, being user-friendly and providing rapid customer service in mind, several key goals have been accomplished during the past year.

The Central Mailroom implemented postage by phone and a new inserting operation with capabilities to fold, insert and seal correspondence, and was recognized nationally for outstanding mailroom management. In addition to national recognition, the Mailroom was featured on local television for innovative government solutions. State-of-the-art equipment and inventive methods provide a significant savings to the state; i.e., the sorter alone reduces mailroom costs by \$600,000.



Maintaining the aging, historic properties of state buildings is an enormous task. This year, the Division managed the \$2.5 million re-roofing project of the Gordon Persons Building, continued with Capitol renovation projects, disposed of old buildings and began renovations of the old Public Safety Building and the First White House of the Confederacy.



Understanding the benefits and importance of alternative fuels, the Motor Pool broke ground and celebrated the grand opening of a new E85 (Ethanol) fueling station in its Office of Fleet Management. Alabama has taken a lead nationally in supporting alternative fuels. The State Motor Pool surpassed a federal mandate to purchase flex-fuel vehicles for 75% of their fleet. One-hundred percent of new vehicles purchased for the state motor fleet will be have the capability of running on Ethanol and other alternative fuels.

A new Space Management Leasing Program was implemented this year. The innovative online database reveals information regarding state agencies' leases of building space and other real property. The web-based 'Lease Search' provides a readily-available and transparent view into the state's real estate lease transactions. It also serves as a resource for agencies considering sublease and consolidation opportunities and cost comparisons for specific locations. The new online lease tool won the 2007 Innovative Alabama Governments Award from the AUM Center for Government and Public Affairs and was spotlighted on Troy Public Radio's *Community Focus*.

Disaster Relief



Hurricane Katrina left thousands with damaged or destroyed homes and brought countless evacuees into the state. Coordinating millions of relief dollars from the federal government, private sector, non-profit organizations and individuals was critical to rebuilding lives and communities. The Finance Department served as the liaison to all state agencies in the rebuilding and recovery efforts in order to minimize duplication of services and maximize the impact of funding. This targeted approach and the partnering of public, private and non-profit entities has been a significant success. In addition to expediting

the return of families to their homes, this model supports communities as they strive to become more resistant and resilient to future disasters.

GO Zone Bonds

In December 2005, President Bush signed the Gulf Opportunity Zone Act of 2005 to assist the Gulf States in recovering from the devastating hurricane season. The State of Alabama implemented two sections of the act: Gulf Opportunity Zone Bonds (GO Zone Bonds) and Additional Advance Refunding (AAR). Allocations for the GO Zone Bonds are available in the eleven-county area most effected by Hurricane Katrina (Baldwin, Choctaw, Clarke, Greene, Hale, Marengo, Mobile, Pickens, Sumter, Tuscaloosa and Washington); the AAR is a statewide program. In April 2006, the State of Alabama had developed procedures for the two programs and began receiving applications. Most of the funds have been allocated at this point, and both programs will expire on December 31, 2010.



In the News



resourceful leadership



Finance Director
James Allen Main (right)
is sworn into office
by Governor Bob Riley

The mission of the State of Alabama Department of Finance is to provide outstanding resourceful leadership and service in areas of financial management and operational support to advance the Governor's mission of restoring trust and transforming state government. The Finance Director is the chief financial officer of the state, the advisor of the Governor and of the Legislature in financial matters, and at all times, is charged with protecting the financial interests of the state. The Director is also responsible to the Governor for the administration of the Department of Finance and its divisions: budget, comptroller, debt management, finance accounting, finance personnel, information services, legal services, purchasing, risk management, and service management (state motor pool, central mail room, central supply and state buildings & space management).

PROTECTING THE FINANCIAL INTERESTS OF ALABAMA



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